

# **EXHIBIT 1**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

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:  
CYNTHIA RUSSO, LISA :  
BULLARD, RICARDO : Civil No. 17-cv-2246  
GONZALES, INTERNATIONAL :  
BROTHERHOOD OF ELECTRICAL :  
WORKERS LOCAL 38 HEALTH :  
AND WELFARE FUND, :  
INTERNATIONAL UNION :  
OF OPERATING ENGINEERS :  
LOCAL 295-295C WELFARE :  
FUND, AND STEAMFITTERS :  
FUND LOCAL 439, on :  
Behalf of Themselves :  
and All Others Similarly :  
Situated, :  
:  
Plaintiffs, :  
:  
v. :  
:  
WALGREEN CO., :  
:  
Defendant. :  
\_\_\_\_\_:

Friday, August 11, 2023

Deposition of LYNETTE HILTON, Ph.D.,  
taken virtually via Zoom, with the witness  
participating the offices of Econ ONE, 550 South  
Hope Street, Suite 800, Los Angeles, California,  
beginning at 9:03 a.m. PDT, before Ryan K. Black,  
Registered Professional Reporter, Certified  
Livenote Reporter and Notary Public in and for  
the Commonwealth of Pennsylvania.

1           A.     The exclusions in Paragraph 13 a. and  
2           b.?

3           Q.     Well, they -- what I'm saying is they  
4           made changes to the proposed exclusions, correct?

5           A.     Correct.

6           Q.     And the new proposed exclusions are  
7           listed in Paragraph 13 a. and b., correct?

8           A.     Correct.

9           Q.     You testified in your prior deposition  
10          about your understanding of the exclusions, and  
11          now I'd like to ask you about your understanding  
12          of these revised exclusions.

13                Do you believe you understand the  
14          meaning of the revised exclusions?

15          A.     Yes.

16          Q.     How did you obtain your understanding?

17          A.     By both reading the exclusions and  
18          having discussions with counsel.

19          Q.     Let's look at Paragraph 13 a. It says  
20          one of the exclusions is "All federal government  
21          entities, including Medicare and Medicaid and  
22          their beneficiaries, except for Medicare Part D  
23          beneficiary."

24                Did I read that accurately?

25          A.     Yes.

1           Q.    So in this exclusion, it gives two  
2           examples, Medicare and Medicaid. Is Medicaid a  
3           federal government entity?

4           A.    I don't have an opinion on that.

5           Q.    Do you understand whether states  
6           administer their own Medicaid programs?

7           A.    I have some understanding of that, yes.

8           Q.    What is your understanding, that they do  
9           or they do not administer their own Medicaid  
10          program?

11          A.    My understanding is that they're  
12          -- they're partially funded by both state and by  
13          federal governments.

14          Q.    And is it your understanding that  
15          the -- that the states administer their own  
16          Medicaid programs or that the federal government  
17          administates -- administers the state Medicaid  
18          program?

19          A.    I'm trying to figure out what you mean  
20          by "administer" versus "pay."

21          Q.    Well, you just said that the Medicaid  
22          is both partially state-funded and partially  
23          federal-funded, correct?

24          A.    Yes.

25          Q.    New Mexico has its own Medicaid program,

1 correct?

2 A. I assume so. I don't have any  
3 independent knowledge of that.

4 Q. And New York, you would assume, has its  
5 own Medicaid program, correct?

6 A. Again, I'd assume so, but I -- I don't  
7 know for sure.

8 Q. Do you know who manages the New Mexico  
9 Medicaid program?

10 MR. ALEXANDER: Objection to form.

11 THE WITNESS: I don't.

12 BY MR. LEIB:

13 Q. Do you know who administers the New  
14 Mexico Medicaid program?

15 A. I don't.

16 Q. And that would -- your answers would be  
17 the same if I asked them with regard to New York,  
18 correct?

19 A. Correct.

20 Q. Do you understand whether states make  
21 their own decisions about what benefits they will  
22 provide under Medicaid, subject to federal  
23 guidelines?

24 MR. ALEXANDER: Objection to form.

25 THE WITNESS: I don't have an

1 understanding of that.

2 BY MR. LEIB:

3 Q. So you don't know one way or -- or  
4 another whether Medicaid is a federal government  
5 entity, correct?

6 A. I don't have any independent knowledge  
7 of that, no.

8 Q. Are you aware that there's a Federal  
9 Workers' Compensation plan?

10 A. I am familiar with that.

11 Q. Is that a federal government entity?

12 A. I don't have knowledge of that.

13 Q. Are you aware that there's a federal  
14 employees program, sometimes called Federal  
15 Employees Health Benefits Program?

16 A. I -- I don't have any independent  
17 knowledge of that.

18 Q. Have you heard of the term FEP?

19 A. Yes.

20 Q. Do you understand what FEP is?

21 A. No.

22 Q. Do you know whether the FEP is a federal  
23 government entity?

24 A. I do not.

25 Q. Do you know what TRICARE is?

1           A.    I have a general understanding of  
2           TRICARE, yes.

3           Q.    What is your general understanding of  
4           TRICARE?

5           A.    It's that part of the government  
6           benefits for its healthcare, but it's a very  
7           general understanding.

8           Q.    It -- did you say it's that part of the  
9           government benefits for healthcare?

10          A.    It is a healthcare benefit provided by  
11          the government.

12          Q.    Do you know who it's provided to?

13          A.    I just -- no. I was familiar at one  
14          point, but, no.

15          Q.    Okay. I will inform you that it's  
16          the uniformed services healthcare program that's  
17          primarily for active-duty service members and  
18          their families, National Guard Reserve members  
19          and their families and Medal of Honor recipients  
20          and their families.

21                   I see you shaking your head. Does that  
22          refresh your recollection?

23          A.    Yes.

24          Q.    Do you know whether TRICARE is a federal  
25          government entity?

1           A.     I don't.

2           Q.     What about Veteran's Administration  
3 plans? Do you know if those are federal  
4 government entities?

5           A.     I don't.

6           Q.     So what is your understanding of what a  
7 federal government entity is?

8           A.     An entity that is funded by the federal  
9 government.

10          Q.     Funded in full or -- or -- does it have  
11 to be funded in full by the federal government to  
12 be a federal government entity?

13          A.     I don't have an opinion about that.

14          Q.     Based on what you just said, why is it  
15 that you don't have an opinion on whether TRICARE  
16 is a federal government entity?

17               MR. ALEXANDER: Objection to form.

18               THE WITNESS: I don't need to have a  
19 opinion about that. It's not part of my -- it's  
20 not necessary for my analysis or my methodology.  
21 BY MR. LEIB:

22          Q.     Why is it not necessary for your  
23 methodology?

24          A.     Because I'm going to be -- I rely on the  
25 data, on what Walgreens has characterized these



1           Q.    Do you have an understanding of what a  
2           state government entity is?

3           A.    My understanding is it's entities that  
4           are funded by the state, or associated with the  
5           state, I should say.

6           Q.    Well, what do you mean by "associated  
7           with the state"?

8           A.    Some relationship to the state.

9           Q.    So they don't have to be fully funded by  
10          the state to be a state government entity; is  
11          that correct?

12               MR. ALEXANDER:  Objection to form.

13               THE WITNESS:  I don't have an opinion  
14          about that.

15          BY MR. LEIB:

16           Q.    Well, you first said -- when answering  
17          my question of whether you had an understanding  
18          of what a state government entity is, you first  
19          said "they are funded by a state," and then you  
20          said "or associated with the state."  I took that  
21          to mean that you were changing your answer.  Are  
22          those -- were you changing your answers or were  
23          those two different things, they're either funded  
24          by the state or they're associated with the  
25          state?

1 political subdivision. How do you determine if  
2 something that's state-funded should, in fact,  
3 be included because it's a state political  
4 subdivision?

5 MR. ALEXANDER: Objection to form.  
6 Asked and answered.

7 THE WITNESS: Yeah. I think I did  
8 answer that. Did you want me to answer it again?

9 BY MR. LEIB:

10 Q. Answer it again.

11 A. By including those that have Plan Type  
12 Equal to Commercial, Plan Type Equal to Union and  
13 Federally Funded people to "no" on those two  
14 particular plan -- plan types, and then also  
15 excluding plan -- or, excuse me, including  
16 Plan Type Equals Medicare Part D.

17 Q. There's no actual way to know from the  
18 Plan Type field in Walgreens' data whether a TPP  
19 is a state political subdivision, correct?

20 MR. ALEXANDER: Objection to form.

21 THE WITNESS: As I said earlier, sitting  
22 here today I don't recall that there is, but that  
23 would be subject to check.

24 BY MR. LEIB:

25 Q. And you make no attempt in your

1           A.    Oh, sorry.  No, I don't.

2           Q.    Now, the New Mexico Public School  
3 Insurance Authority -- I'm going to refer to that  
4 as the NMPSIA.  Okay?

5           A.    Okay.

6           Q.    The NMPSIA, do you have an opinion on  
7 whether that is a state government entity?

8           A.    State government entity?  Only to the  
9 extent that it's not listed as a state-funded  
10 entity under plan type, but I don't have an  
11 independent opinion.

12          Q.    Well, because it's not listed as a  
13 state-funded entity, you would say that it's not  
14 a state government entity; is that correct?

15               MR. ALEXANDER:  Objection to form.

16               THE WITNESS:  Correct.

17          BY MR. LEIB:

18          Q.    Do you have any opinion on whether it's  
19 a political subdivision?

20          A.    Based on the class definition, it would  
21 appear to fall under, you know, school district.  
22 But I don't have an independent opinion.

23          Q.    What makes you feel it would fall under  
24 the -- under a school district?

25          A.    Because it says New Mexico Public

1 Schools.

2 Q. But it also says Insurance Authority,  
3 correct?

4 A. Correct.

5 Q. Do you have any idea if it's actually a  
6 school system?

7 MR. ALEXANDER: Objection to form.

8 THE WITNESS: Yeah. I'm not sure  
9 exactly what you're asking, but I don't have an  
10 opinion on what this particular entity is.

11 BY MR. LEIB:

12 Q. Did you do any reason into what this  
13 particular entity is?

14 A. No.

15 Q. Does it matter to your opinion whether  
16 or not funding came from the state general  
17 coffers into this insurance authority?

18 A. To the extent that Walgreens listed it  
19 as a state-funded entity, yes, that would matter.  
20 I would exclude them from my analysis.

21 Q. Why would you exclude them -- strike  
22 that. I understand why you would exclude them.

23 So let me ask you this question: I'm  
24 not asking you whether Walgreens listed it as a  
25 state-funded entity. I'm asking you if, as a

C E R T I F I C A T E

I do hereby certify that I am a Notary Public in good standing, that the aforesaid testimony was taken before me, pursuant to notice, at the time and place indicated; that said deponent was by me duly sworn to tell the truth, the whole truth, and nothing but the truth; that the testimony of said deponent was correctly recorded in machine shorthand by me and thereafter transcribed under my supervision with computer-aided transcription; that the deposition is a true and correct record of the testimony given by the witness; and that I am neither of counsel nor kin to any party in said action, nor interested in the outcome thereof.

WITNESS my hand and official seal this  
14th day of August, 2023



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Notary Public